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## Executive Summary Report

Appraisal Date 1/1/06 – 2006 Assessment Year – 2007 Tax Roll year

Specialty Name: Major Retail Properties

### Sales - Improved Analysis Summary:

Number of Sales: six

Range of Sale Dates: 2/2003 – 9/2005

Sales – Ratio Study Summary:				
	Average Assessed Value	Mean Sales Price	Weighted Mean Ratio	COV*
2005 Value	\$48,187,900	\$56,951,800	84.61%	16.34%
2006 Value	\$55,047,700	\$56,951,800	96.66%	12.41%
Change	+\$ 6,859,800		+12.05%	-3.93%
% Change	+14.24%		+14.24%	-24.05%

\*COV (Coefficient of Variation) is a measurement of uniformity, the lower the number the better the uniformity. The figures -3.93% and -24.05% (change) represent an improvement in the ratio between the assessed value of a property and the sales price of that property.

All sales within the retail specialty, verified as good, were included in the analysis, with the exception of properties which were significantly altered (buildings remodeled or enlarged, or changed parcel size, after the sale).

### Population - Parcel Summary Data

	Land	Imps	Total
2005 Value	\$1,154,128,400	\$1,528,630,700	\$2,500,534,100
2006 Value	\$1,319,219,700	\$1,537,841,700	\$2,649,673,000
Percent Change	+14.30%	+.60%	6.50%

Number of Parcels in the Population: 227

### Conclusion and Recommendation

Since the values contained in this report improve assessment level, uniformity, equity, and reliability it is recommended that these values be posted for the 2006 Assessment Roll.

## **Analysis Process**

### **Specialty**

Specialty Area: Major Retail area 250

### **Highest and Best Use Analysis**

**As if vacant:** In general, the highest and best use of major retail properties is development of the site to retail use. In some cases other intense commercial use, such as office construction or a mixed-use commercial project, is feasible.

**As if improved:** Based on county-wide trends, both in demographic and current development patterns, the existing buildings represent the highest and best use of most sites. The existing use will continue until land value, in its highest and best use, exceeds the sum of value of the entire property in its existing use and the cost to remove the improvements. In most cases, the current improvements add value to the property and are considered the highest and best use of the property as improved. In some cases, land values have increased substantially in recent years and now the income approach will not support an improvement value. In these cases, a token value of \$1,000 is assigned to the improvements.

### **Standards and Measurement of Data Accuracy**

Each sale was verified with the buyer, seller, real estate agent, or tenant when possible. Current data was verified if possible and corrected when necessary.

### **Special Assumptions, Departures and Limiting Conditions**

All three approaches to value were considered in this analysis.

The following Departmental guidelines were adhered to:

- ✚ Sales from 2003 through 2005 were used in the analyses, specifically sales from 2/03 to 9/05.
- ✚ No market trends (market condition adjustments, time adjustments) were applied to sales prices. Models were developed without market trends. The utilization of three years of market information without adjustment for time averaged any net changes over the three-year period.
- ✚ This report is intended to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.

## **Identification of the Area**

### **Name or Designation: Major Retail Property**

Major retail properties consist of regional malls, single tenant discount retailers and big box retailers. The regional mall properties are defined as those multi-tenanted properties in excess of 200,000 square feet of gross leasable area. The single tenant discount retailers and big box properties are generally in excess of 100,000 square feet. The major retail properties, in total, consist of 227 parcels.

**Boundaries:** All of King County

### **Maps:**

A map showing the properties physically inspected for the 2006 revalue is included in this report. More detailed Assessor's maps are located on the seventh floor of the King County Administration Building.

### **Area Description**

King County major retail properties fall into a number of categories. The most visible are the Regional Shopping Centers such as Northgate, Bellevue Square, Southcenter, and the SeaTac Mall. There are also the single tenant, discount retailers such as Fred Meyer, Target, Wal-Mart, and Mervyn's. There are the big box retail stores such as Lowe's, Home Depot, Sam's Club and Costco as well as a Factory Outlet Mall in the Great Northwest Factory Stores of North Bend. Properties that are more difficult to classify include the Supermall of the Great Northwest, Westlake Center, Pacific Place and Redmond Towne Center.

### **Physical Inspection Area**

The following malls were physically inspected for the 2006 assessment year:

- Kirkland Park Place, neighborhood 51
- Totem Lake Mall, neighborhood 51
- Factoria Square Mall, neighborhood 58
- Fairwood Shopping Center, neighborhood 34
- Northwest Factory Outlet Stores, neighborhood 50
- Issaquah Commons, neighborhood 65

In addition to the malls East-side big box stores were inspected. This represents 16.7% of the major retail specialty.

## **Neighborhood Descriptions**

Properties that have similar characteristics including effective age, quality, predominate use and location are grouped into neighborhoods for the purpose of building economic income models. Totem Lake Mall and Kirkland Park Place utilize the same income model. They are both located in Kirkland, are similar in age, quality and property use. Neighborhoods were created for south Bellevue (Factoria Square), Renton (Fairwood), North Bend (Northwest Factory Outlet Stores), and Issaquah (Issaquah Commons).

## **Preliminary Ratio Analysis**

A preliminary ratio study was calculated prior to the application of the 2006 recommended values. The study benchmarks the current assessment level using 2005 posted values. The ratio study was repeated after application of the 2006 recommended values. The results, which are included in the validation section of this report, show an improvement in the COV from 16.34% down to 12.41%.

## ***Scope of Data***

### **Land Value Data**

The geographic appraiser in the area in which the major retail property is located is responsible for the land value used by the major retail specialty appraiser. See appropriate area reports for discussions of land valuation.

### **Improved Parcel Total Value Data**

Sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division, Sales Identification Section. Information is analyzed and investigated by the appraiser in the process of revaluation. Interior inspections were made to the properties that were physically inspected for this revalue. Sales are listed in the "Sales Used" and "Sales Not Used" sections of this report.

## **Improved Parcel Total Values**

### **General Market Conditions:**

#### **The National Economy**

The current deluge of equity and debt capital flooding the industry is keeping sale prices elevated, especially for the best assets up for sale. Overall cap rates remain low, especially along the West Coast.<sup>1</sup>

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<sup>1</sup> Korpacz Real Estate Investor Survey, 4th Quarter 2005, pg.3

Over the next several years, real estate pricing is forecasted to be supported by three major factors:

Strong Capital Flows. An improving stock market would normally shift capital flows away from real estate; however, real estate has gained strong favor throughout this cycle and will continue to attract domestic and foreign capital despite lower returns in the short term.

Orderly Transition. Interest rates are expected to rise gradually along with an improving economy; therefore, the increasing cost of capital will be accompanied by improving rents and occupancies, allowing fundamentals to catch up with pricing.

Expansion Cycle. The United States is entering a new expansion cycle with favorable projections for demographics and job growth.<sup>2</sup>

### **Puget Sound Economic Conditions**

Seattle employers are on track to add 47,800 jobs by years end, a 2.9% increase. The trade, transportation, and utilities sector is expected to dominate job creation with 12,000 new positions. Rising production levels at Boeing will help bolster the manufacturing sector for the second consecutive year. The city's growing cruise ship industry will provide a significant boost to the local economy. As a result, retail sales are projected to increase another 6.5 percent this year, after jumping 7.9 percent in 2005.<sup>3</sup>

Strong demographics, stable retail fundamentals, and rising property values will continue to attract retail investors to the Seattle area.

### **Executive Summary**<sup>4</sup>

- ✚ Job growth in the Seattle region is expected to increase 2.9%
- ✚ Retail sales are forecast to increase by 6.5% in 2006
- ✚ Developers will complete 565,000 square feet of new retail space in 2006
- ✚ Owners will increase asking rents 3.6 percent this year.
- ✚ Investor interest in Seattle's retail market will remain strong amid continued economic growth and solid fundamentals. Buyers will continue to compete for a limited number of quality properties, putting continued upward pressure on prices.

### **Sales Comparison Approach**

Individual property sales were used to analyze individual property values but the sales comparison approach was generally not relied upon because of the relatively few sales that have taken place, and in the case of the regional malls, the difficulty in relating one mall to the other. Location, size, age, condition and tenant composition are characteristics that help stratify the individual property sales. There were six improved sales in the Major Retail specialty (area 250) with a sales price range of \$87 to \$217 per square foot of gross leaseable area (GLA) with an average sales price per square foot is \$158.

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<sup>2</sup> Marcus & Millichap, Special Research Report, 1<sup>st</sup> quarter 2006, pg. 1

<sup>3</sup> Marcus & Millichap, Special Research Report, 1<sup>st</sup> quarter 2006, pg. 2

<sup>4</sup> Marcus & Millichap, Special Research Report, 1<sup>st</sup> quarter 2006, pg. 1.

### **Cost approach**

Cost estimates are calculated using the Marshall and Swift cost valuation service model in the computerized “Real Property” program for all improved parcels. Depreciation is based on studies done by Marshall & Swift Valuation Service. The dynamics of the retail market as well as the fact that income is the primary characteristic, around which investment analysis revolves, make it difficult to utilize the cost approach in valuing most major retail properties. Accordingly, the cost approach is usually limited to valuing new construction and/or remodeling in the major retail properties.

### **Cost calibration**

The Marshall & Swift cost-modeling system is built into the Department of Assessment’s Real Property application and automatically calibrates to the data in place in this application. This commercial cost estimator is also calibrated to the Western region and the Seattle area.

### ***Income Capitalization***

The income approach to valuing major retail properties is based upon the analysis of a rental income stream. Rental rates, operating expenses and capitalization rates are obtained from sold properties and local and national publications. These sources assist the Assessor in estimating the appropriate rental rates, operating expenses, and capitalization rates for local, major retail properties.

#### Puget Sound Retail Market / CB Richard Ellis / 4<sup>th</sup> Qtr 2005

Location	SF Leased Area	Vacancy w/ Sublease	Average NNN Rent
Downtown CBD	1,823,007	2.56%	\$37.54
Bellevue/Eastside	10,876,921	3.55%	\$22.98
Northgate/North Seattle	3,322,149	1.10%	\$24.06
South-end	10,062,059	1.66%	\$19.31

This report includes all multi-tenant buildings 50,000 square feet and greater, all freestanding buildings of at least 20,000 square feet and downtown buildings greater than or equal to 25,000 square feet.

American Council of Life Insurers (ACLI) provides data that is related to Commercial Mortgage Commitments (loans), made by its reporting members on commercial properties, including retail properties. Here is a comparison of two years of the nation-wide, fixed rate loan data on retail properties. Figures for last year’s report, the 4th quarter of 2004 are as follows:

Retail Loans by Loan Size	4 <sup>th</sup> Qt. 2004 # Loans	\$ Amount Committed	Avg. Loan Amount	Cap. Rates	Loan/ Value
Less than \$2 million	91	105,912,000	1,164,000	8.9%	67.7%
\$2 million - \$4,999,999	68	207,901,000	3,057,00	8.6%	67.1%
\$5 million - \$14,999,999	51	429,222,000	8,416,000	8.0%	68.8%
\$15 million - \$24,999,999	6	115,550,000	19,258,000	8.0%	70.2%
\$25 million and over	12	665,200,000	55,433,000	6.9%	66.1%
Average				7.6%	67.4% <sup>5</sup>

This years figures show a greater strength in the retail market with an increased number of loans, the ratio of loan to value increasing and the capitalization rates decreasing

Retail Loans by Loan Size	4 <sup>th</sup> Qt. 2005 # Loans	\$ Amount Committed	Avg. Loan Amount	Cap. Rates	Loan/ Value
Less than \$2 million	106	115,548,000	1,090,000	8.4%	64.6%
\$2 million - \$4,999,999	56	180,457,000	3,222,000	7.9%	65.7%
\$5 million - \$14,999,999	59	533,845,000	9,048,000	7.2%	64.6%
\$15million - \$24,999,999	10	178,475,000	17,848,000	7.0%	67.5%
\$25 million and over	16	1,658,794,000	103,675,000	6.0%	62.1%
Average				6.6%	63.3% <sup>6</sup>

This data illustrates that investors perceive that larger, more expensive investment quality properties, which require larger loans as having less risk and, therefore, have lower capitalization rates. This has been consistently the trend for a number of years.

This 2005 4th quarter data is specific to our area.

Metropolitan Statistical Area Seattle-Bellevue-Everett	Number of Loans	Amount Committed (\$000)	Loan Amount (\$000)	Loan/ Value Ratio	Cap. Rate
Retail	24	507,650	21,152	65.2%	7.0% <sup>6</sup>

<sup>5</sup> American Council of Life Insurers (ACLI), Commercial Mortgage Commitments, Fourth Quarter 2004, Fixed Rate Mortgages Only, Retail, Table 8

<sup>6</sup> American Council of Life Insurers(ACLI), Comme rcial Mortgage Commitments, Year to Date 2005, Fixed Rate Mortgages Only, Seattle-Bellevue-Everett, WA, Retail, Table 11



The Korpacz Real Estate Investor Survey is a national publication that has a wealth of information. The survey represents a cross section of major institutional equity real estate market participants who invest primarily in institutional-grade (investment quality) property. Rates and other assumptions presented in the survey indicate the participant's expectations from institutional-grade real property investment. Institutional-grade properties are those properties sought out by institutional buyers that have the capacity to meet the prevalent institutional investment criteria, which are referred to in this survey. In the retail market, Korpacz reports on the National Regional Mall Market, the National Power Center Market, and the National Strip Shopping Center Market.

#### National Regional Mall Market

"According to the current survey of participants, regional malls classifications based on inline store retail sales per square foot are as follows:

<u>Class</u>	<u>Inline Retail Sales PSF<sup>7</sup></u>
A+	\$450 and up
A	\$350 to \$449
B+	\$300 to \$349
B	\$250 to \$299
C+	\$200 to \$249
C	\$125 to \$199
D	Less than \$125

The retail sector of commercial real estate investment has remained strong. In the Seattle Metropolitan Statistical Area, retail is the healthiest of all commercial property investments. Even though a lack of quality offerings, a competitive buying pool, and limited chances for both income and value appreciation are temporarily pushing some investors to the sidelines, others are eager to acquire retail assets, especially grocery-anchored centers and fortress malls. As a result, many investors believe that now is a good time to sell such properties. Top investment locations for retail assets include Orange County, Seattle, Miami, Los Angeles and metro Washington, DC<sup>8</sup>

#### **Investment and Property Characteristics: National Markets**

Capitalization Rates for National Regional Mall Market <sup>9</sup>		
Class	Range	Average
A+	5.50% - 7.50%	6.12%
A	5.50% - 8.30%	6.68%
B+	6.00% - 9.00%	7.48%
B	6.00% - 9.50%	8.21%

<sup>7</sup> Korpacz Real Estate Investor Survey, 4<sup>th</sup> Quarter 2005, pg. 68

<sup>8</sup> Korpacz Real Estate Investor Survey, 4<sup>th</sup> Quarter 2005, pg. 4

<sup>9</sup> Korpacz Real Estate Investor Survey, 4<sup>th</sup> Quarter 2005, Tables: RM1, PC2, SC3

## **Income approach calibration**

Properties were valued based on an income model using economic rents, typical vacancy and credit loss, expenses, and capitalization rates. The income model was calibrated and adjustments were based on effective age and quality of construction. The typical net rent range for retail (use code 353) was \$15.00 to \$20.00 per square foot of rentable area and capitalization rates were 8.75% to 9.25%. Typical allowances for vacancy and collection loss were stabilized at 5% and expenses at 10%.

Twelve tables were created to value the less complex mall properties and downtown Seattle department stores. The parameters listed above were also used to value these properties.

The complex mall properties in King County were appraised individually. Anchor stores have relatively low rents, less than \$6.00 per square foot per year where smaller retail stores may lease for \$40 per square foot per year. Capitalization rates of 7.0% to 9.5% were used in the analysis of the regional malls. The investment quality of the property determined the capitalization rate. Location, condition, age, and tenancy were considered in the valuation of the regional malls.

Generally, the institutional grade properties were analyzed using higher average rents and lower capitalization rates than non-institutional grade properties.

### **Reconciliation and or validation study of calibrated value models including ratio study of hold out samples.**

Values for all parcels were reviewed by the specialty appraiser for correctness of the model application before final value was selected.

## **Model Validation**

### **Total Value Conclusions, Recommendations and Validation:**

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel is reviewed and a value selected based on general and specific data pertaining to the parcel, the neighborhood, and the market. The appraiser determines which value estimate may be appropriate and may adjust particular characteristics and conditions as they occur in the valuation area.

Application of the recommended values, results in improved assessment level, uniformity and reliability. The weighted mean ratio showed an improvement in the assessment level from 84.6% to 96.7%, the coefficient of variation improved from 16.34% to 12.41% and the price related differential improved from 1.03 to 1.00. The standard statistical measures of valuation performance are all within IAAO guidelines.

The total assessed value for the 2005 assessment year was \$2,500,534,100 and the total recommended assessed value for the 2006 assessment year is \$2,649,673,000. Application of these recommended values for the 2006 assessment year (taxes payable in 2007) results in a total change from the 2005 assessments of + 6.50%. The increase is due to market appreciation, new construction, previous below market assessment levels and updated property characteristics.

## **USPAP Compliance**

### ***Client and Intended Use of the Appraisal:***

*This summary mass appraisal report is intended for use only by the King County Assessor and other agencies or departments administering or confirming ad valorem property taxes. Use of this report by others is not intended by the appraiser. The use of this appraisal, analyses and conclusions is limited to the administration of ad valorem property taxes in accordance with Washington State law. As such, it is written in concise form to minimize paperwork. The assessor intends that this report conform to the Uniform Standards of Professional Appraisal Practice (USPAP) requirements for a **summary mass appraisal report** as stated in USPAP SR 6-7. To fully understand this report the reader may need to refer to the Assessor's Property Record Cards, Assessors Real Property Data Base, separate studies, Assessor's Procedures, Assessor's field maps, Revalue Plan and the statutes.*

*The purpose of this report is to explain and document the methods, data and analysis used in revaluation of King County. King County is on a six year physical inspection cycle with annual statistical updates. The revaluation plan is approved by Washington State Department of Revenue. The revaluation is subject to their periodic review.*

### ***Definition and date of value estimate:***

#### **Market Value**

*The basis of all assessments is the true and fair value of property. True and fair value means market value (Spokane etc. R. Company v. Spokane County, 75 Wash. 72 (1913); Mason County Overtaxed, Inc. v. Mason County, 62 Wn. 2d (1963); AGO 57-58, No. 2, 1/8/57; AGO 65-66, No. 65, 12/31/65) . . . or amount of money a buyer willing but not obligated to buy would pay for it to a seller willing but not obligated to sell. In arriving at a determination of such value, the assessing officer can consider only those factors which can within reason be said to affect the price in negotiations between a willing purchaser and a willing seller, and he must consider all of such factors. (AGO 65, 66, No. 65, 12/31/65)*

#### **Highest and Best Use**

**WAC 458-12-330 REAL PROPERTY VALUATION—HIGHEST AND BEST USE.**

*All property, unless otherwise provided by statute, shall be valued on the basis of its highest and best use for assessment purposes. Highest and best use is the most profitable, likely use to which a property can be put. It is the use which will yield the highest return on the owner's investment. Uses which are within the realm of possibility, but not reasonably probable of occurrence, shall not be considered in estimating the highest and best use.*

*If a property is particularly adapted to some particular use this fact may be taken into consideration in estimating the highest and best use. (Sammish Gun Club v. Skagit County, 118 Wash. 578 (1922)) The present use of the property may constitute its highest and best use. The appraiser shall, however, consider the uses to which similar property similarly located is being put. (Finch v. Grays Harbor County, 121 Wash. 486 (1922))*

*The fact that the owner of the property chooses to use it for less productive purposes than similar land is being used shall be ignored in the highest and best use estimate. (Sammish Gun Club v. Skagit County, 118 Wash. 578 (1922))*

*Where land has been classified or zoned as to its use, the county assessor may consider this fact, but he shall not be bound to such zoning in exercising his judgment as to the highest and best use of the property. (AGO 63-64, No. 107, 6/6/64)*

### **Date of Value Estimate**

*All property now existing, or that is hereafter created or brought into this state, shall be subject to assessment and taxation for state, county, and other taxing district purposes, upon equalized valuations thereof, fixed with reference thereto on the first day of January at twelve o'clock meridian in each year, excepting such as is exempted from taxation by law. [1961 c 15 §84.36.005]*

*The county assessor is authorized to place any property that is increased in value due to construction or alteration for which a building permit was issued, or should have been issued, under chapter 19.27, 19.27A, or 19.28 RCW or other laws providing for building permits on the assessment rolls for the purposes of tax levy up to August 31st of each year. The assessed valuation of the property shall be considered as of July 31st of that year. [1989 c 246 § 4]*

*Reference should be made to the property card or computer file as to when each property was valued. Sales consummating before and after the appraisal date may be used and are analyzed as to their indication of value at the date a valuation. If market conditions have changed then the appraisal will state a logical cutoff date after which no market date is used as an indicator of value.*

### **Property rights appraised:**

#### **Fee Simple**

*The definition of fee simple estate as taken from The Third Edition of The Dictionary of Real Estate Appraisal, published by the Appraisal Institute. "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."*

### **Special assumptions and limiting conditions:**

*That no opinion as to title is rendered. Data on ownership and the legal description were obtained from public records. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements, and restrictions unless shown on the maps or property record cards. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.*

*That no engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.*

*That rental areas herein discussed have been calculated in accord with standards developed by the American Standards Association as included in Real Estate Appraisal Terminology.*

*That the projections included in this report are utilized to assist in the valuation process and are based on current market conditions, anticipated short term supply and demand factors, and a continued stable economy. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser and could affect the future income or value projections.*

*That no responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provision of specific professional or governmental inspections.*

*That the appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property. The existence of such substances may have an effect on the value of the property. No consideration has been given in our analysis to any potential diminution in value should such hazardous materials be found. We urge the taxpayer to retain an expert in the field and submit data affecting value to the assessor.*

*That no opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.*

*That maps, plats, and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.*

*Exterior inspections were made of all properties however; due to lack of access, few received interior inspections.*

*The property is assumed uncontaminated unless the owner comes forward to the Assessor and provides other information.*

*We appraise fee simple interest in every property. Unless shown on the Assessor's parcel maps, we do not consider easements as adversely affecting property value.*

*We have attempted to segregate personal property from the real estate in our appraisals.*

*We have not appraised movable equipment or fixtures as part of the real estate. We have appraised identifiable permanently fixed equipment with the real estate in accordance with RCW 84.04.090 and WAC 458-12-010.*

*We have considered the effect of value of those anticipated public and private improvements of which we have common knowledge. We can make no special effort to contact the various jurisdictions to determine the extent of their public improvements.*

*The appraisers have no personal interest or bias toward any properties that they appraise.*

**Departure Provisions:**

***Which if any USPAP Standards Rules were departed from or exempted by the Jurisdictional Exception***

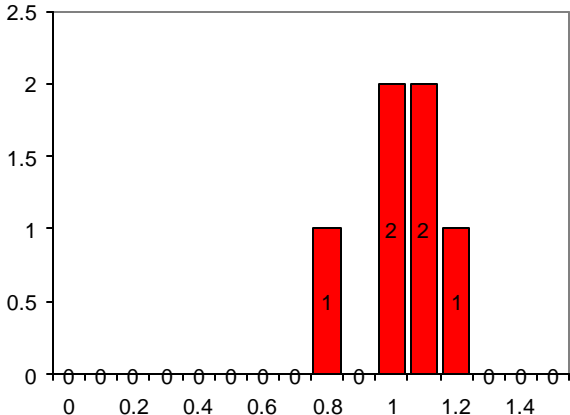
***SR 6-2 (g)***

*The assessor has no access to title reports and other documents. Because of budget limitations, we did not research such items as easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations and special assessments. The mass appraisal must be completed in the time limits as indicated in the Revaluation Plan and as budgeted.*

**Area 250 – Major Retail**  
**2006 Assessment Year**  
**Sales Used Compared to 2005 Assessment Values**

<b>Quadrant/Crew:</b>		<b>Lien Date:</b>	<b>Date:</b>	<b>Sales Dates:</b>											
East Crew		1/1/2005	4/11/2006	2/2003 - 9/2005											
<b>Area</b>		<b>Appr ID:</b>	<b>Prop Type:</b>	<b>Trend used?: Y / N</b>											
250		JPLA	Improvement	N											
<b>SAMPLE STATISTICS</b>															
<b>Sample size (n)</b>		6	<div>Ratio Frequency</div> <table><thead><tr><th>Ratio</th><th>Frequency</th></tr></thead><tbody><tr><td>0.7-0.8</td><td>1</td></tr><tr><td>0.8-0.9</td><td>1</td></tr><tr><td>0.9-1.0</td><td>1</td></tr><tr><td>1.0-1.1</td><td>3</td></tr></tbody></table>			Ratio	Frequency	0.7-0.8	1	0.8-0.9	1	0.9-1.0	1	1.0-1.1	3
Ratio	Frequency														
0.7-0.8	1														
0.8-0.9	1														
0.9-1.0	1														
1.0-1.1	3														
<b>Mean Assessed Value</b>		48,187,900													
<b>Mean Sales Price</b>		56,951,800													
<b>Standard Deviation AV</b>		32,030,166													
<b>Standard Deviation SP</b>		38,483,643													
<b>ASSESSMENT LEVEL</b>															
<b>Arithmetic mean ratio</b>		0.871													
<b>Median Ratio</b>		0.911													
<b>Weighted Mean Ratio</b>		0.846													
<b>UNIFORMITY</b>															
<b>Lowest ratio</b>		0.6441													
<b>Highest ratio:</b>		1.0000													
<b>Coefficient of Dispersion</b>		11.95%													
<b>Standard Deviation</b>		0.1424													
<b>Coefficient of Variation</b>		16.34%													
<b>Price-related Differential</b>		1.03													
<b>RELIABILITY</b>															
<b>95% Confidence: Median</b>															
<b>Lower limit</b>		0.644													
<b>Upper limit</b>		1.000	These figures reflect the ratio of Assessed Value to sales price prior to the 2006 revalue.												
<b>95% Confidence: Mean</b>															
<b>Lower limit</b>		0.757													
<b>Upper limit</b>		0.985													
<b>SAMPLE SIZE EVALUATION</b>															
<b>N (population size)</b>		227													
<b>B (acceptable error - in decimal)</b>		0.05													
<b>S (estimated from this sample)</b>		0.1424													
<b>Recommended minimum:</b>		28													
<b>Actual sample size:</b>		6													
<b>Conclusion:</b>															
<b>NORMALITY</b>															
<b>Binomial Test</b>															
<b># ratios below mean:</b>		2													
<b># ratios above mean:</b>		4													
<b>z:</b>		0.40824829													
<b>Conclusion:</b>		Normal*													
*i.e., no evidence of non-normality															

**Area 250 – Major Retail**  
**2006 Assessment Year**  
**Sales Used Compared to 2006 Assessment Values**

<b>Quadrant/Crew:</b>		<b>Lien Date:</b>	<b>Date:</b>	<b>Sales Dates:</b>	
East Crew		1/1/2006	6/13/2006	2/2003 - 9/2005	
<b>Area</b>		<b>Appr ID:</b>	<b>Prop Type:</b>	<b>Trend used?: Y / N</b>	
250		JPLA	Improvement	N	
<b>SAMPLE STATISTICS</b>					
<b>Sample size (n)</b>		6	<div>Ratio Frequency</div> 		
<b>Mean Assessed Value</b>		55,047,700			
<b>Mean Sales Price</b>		56,951,800			
<b>Standard Deviation AV</b>		37,256,023			
<b>Standard Deviation SP</b>		38,483,643			
<b>ASSESSMENT LEVEL</b>					
<b>Arithmetic mean ratio</b>		0.964			
<b>Median Ratio</b>		0.987			
<b>Weighted Mean Ratio</b>		0.967			
<b>UNIFORMITY</b>					
<b>Lowest ratio</b>		0.7595			
<b>Highest ratio:</b>		1.1219			
<b>Coefficient of Dispersion</b>		8.02%			
<b>Standard Deviation</b>		0.1196			
<b>Coefficient of Variation</b>		12.41%			
<b>Price-related Differential</b>		1.00			
<b>RELIABILITY</b>					
<b>95% Confidence: Median</b>					
<b>Lower limit</b>		0.760			
<b>Upper limit</b>		1.122	These figures reflect the ratio of Assessed Value to sales price after completing the 2006 revalue.		
<b>95% Confidence: Mean</b>					
<b>Lower limit</b>		0.868			
<b>Upper limit</b>		1.060			
<b>SAMPLE SIZE EVALUATION</b>					
<b>N (population size)</b>		227			
<b>B (acceptable error - in decimal)</b>		0.05			
<b>S (estimated from this sample)</b>		0.1196			
<b>Recommended minimum:</b>		21			
<b>Actual sample size:</b>		6			
<b>Conclusion:</b>					
<b>NORMALITY</b>					
<b>Binomial Test</b>					
<b># ratios below mean:</b>		2			
<b># ratios above mean:</b>		4			
<b>z:</b>		0.40824829			
<b>Conclusion:</b>		Normal*			
*i.e., no evidence of non-normality					



### Improvement Sales for Area 250 with Sales Used 06/13/2006

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
250	030	783080	0006	166,593	1993028	\$14,500,000	09/25/03	\$87.04	FRED MEYER-KENT	CC	1	Y	
250	030	292104	9096	119,657	2107975	\$16,400,000	03/07/05	\$137.06	LOWES HARDWARE	BP	1	Y	
250	051	692840	0020	294,371	2014355	\$37,000,000	01/21/04	\$125.69	TOTEM LAKE SHOPPING CENTER	BC	4	Y	
250	032	352304	9005	460,072	1937493	\$88,323,800	02/04/03	\$191.98	PARKWAY SUPERCENTER	TUC	4	Y	
250	015	197670	0045	415,187	2158933	\$90,100,000	09/30/05	\$217.01	Meridian Center E & W (Niketown,	DOC2-30	2	Y	
250	058	244270	0060	499,717	2093211	\$95,387,075	12/29/04	\$190.88	FACTORIA SQ SHOPPING CENTER	F1	14	Y	
250	000	762240	0010	575,354	1941265	\$37,070,000	02/25/03	\$64.43	SEA TAC MALL	CC	3	26	Imp changed after sale; not in ratio